

# GRAIN DEVELOPMENTS IN THE COMMON MARKET

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# Foreword

The price harmonization phase of the European Economic Community's common grain policy is now almost fully implemented. The six member countries—Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands—first began moving their grain prices toward common levels in 1962; this was largely completed by July 1, 1967. The present and final phase of price harmonization, scheduled for completion in 1972, involves further upward adjustment of Italy's corn and barley prices.

Already, changes of major significance to overseas grain suppliers are occurring. Presented here are some of the general trends that appear to be emerging as well as several graphic illustrations that provide a quick-reference summary of key developments and trade impact.

Further background on this subject is contained in two Foreign Agricultural Service publications: *Common Market Grain Production and Trade Statistics, 1950-51 Through 1961-62,* March 1963 and *Common Market Grain Statistics,* FAS M–192, September 1967.

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# Grain Developments in the Common Market

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In July 1967 barriers to grain trade between EEC member countries were eliminated. Since then, for each grain a common levy has been applied against all imports from nonmember countries, except in the case of corn and barley entering Italy, where the levy remains temporarily at $10 less per metric ton. So far, effects of the price unification process are difficult to quantify in precise terms; but already, dramatic changes have occurred in price levels, production, trade, and stocks. These, in turn, are having an important bearing on world grain trade.

## EEC Prices

The general level of EEC grain prices during the course of unification has moved upward. German prices–and levies–have generally declined during the transition period, but changes elsewhere have been upward and by offsetting amounts or more. French prices of all grains and Italian prices of corn and barley have increased most. By the time Italy's corn and barley prices are raised to the common EEC level, the overall level of EEC grain prices will probably be at least 5 to 7 percent above that prevailing in 1962–providing basic target prices are not increased further by that time.

Apart from the overall level of prices, there have been profound changes in the relationship between prices of different grains. Coarse grain prices have been increased relative to wheat. By far the greatest change, however, is in corn, where despite a sharp reduction in Germany, the overall EEC level now appears roughly 20 percent above 1962. By 1972, with the changes yet to occur in Italy, the margin may be close to 30 percent.

Consistent EEC-wide series of producer and market prices for analytical use are either not available or do not yet cover the period since the July 1967 levy unification. Threshold prices can be used, however, to provide a general indication of price-level changes, and such series are shown in several of the tables and illustrations that follow. The threshold price is the basic means of insulating internal EEC prices from the lower prices existing on world markets; therefore, it is appropriate, at least when considering a span of several years, to assume a general correlation between changes in threshold prices and changes in either producer or market prices within the EEC.

## Grain Production

Since the application of the common external levy, the EEC has harvested two successive record grain crops. Total grain acreage has not changed substantially and has in fact been very stable throughout the entire transition period. Also, there has been virtually no shift between wheat and coarse grains. There are frequent year-to-year fluctuations in the overall proportion of wheat; this is because it is sown primarily in the fall or early winter and occasionally–following an unfavorable planting season or a severe winter–tends to be displaced by spring-sown coarse grains. Corn and barley acreage are on a gradual uptrend, but this is generally offset by declining areas of oats and rye.

Grain yields, on the other hand, have increased greatly and now are at least 40 percent above levels of 10 years ago. The acreage shift toward high-yielding corn and barley from lower yielding oats and rye is one factor, but there has also apparently been heavy application of new technology. In the past 2 years, although weather conditions have been generally favorable, wheat and coarse grain yields have averaged about 12 and 15 percent higher, respectively, than in any single preceding year. The fact that no 2 successive years in the past have produced such dramatic yield increases strongly suggests that the common grain policy has also helped to boost output. It is probable that farmers have found encouragement, not only from improved prices but also and perhaps mainly from the stability and assurance of wider market outlets which the common agricultural policy (CAP) provides.

Nearly 2 years ago, a published analysis of EEC grain trends[1] concluded that the annual increase in EEC grain production "...at present appears to be something less than 1.0 million metric tons per year or roughly 2 percent." In the autumn of 1967, however—the first year of the common external levy—EEC grain output jumped 7.3 million tons above any previous record, and in 1968 it rose by another 2 million.

## Grain Utilization

EEC grain consumption has been increasing steadily since 1955-56 due almost entirely to expanding livestock feed requirements. Annual increases have ranged from 400,000 tons to as much as 3.1 million, and the average has been about 1.5 million. For 1968-69 the long-term trend indicates a total grain usage of about 74.3 million tons, but there is a fair possibility that the actual figure may be somewhat less. Feed manufacturers in the EEC report a substantially growing use of cheaper nongrain ingredients, especially since grain prices have generally increased and since a number of the nongrain ingredients are imported at lower levels of duty.

Regardless of the rate of past or current growth in EEC grain consumption, overall grain use is being limited since EEC target prices are almost twice as high as world grain price levels. Costs of livestock feed are exceptionally high, even considering the rather high level of farm prices of livestock and poultry. The effect upon both foreign grain suppliers and EEC livestock producers is adverse.

While a distinct change in the growth of total grain use due to the CAP is not yet evident, once again there is nevertheless a profound change occurring between grains. Feed use of locally produced soft wheat is receiving great encouragement through the new price system, and barley use is growing more or less in line with its increased local availability. As a result, corn and sorghum use—over one-half of which is met by imports—is estimated to have declined in 1967-68 by the substantial margin of about 1.0 million tons. In 1968-69 a further decline of around 1.1 million tons is likely. Since a substantial part of this decline is occurring in Italy, where corn prices are scheduled to increase about another 10 percent by 1972, further reduction in EEC corn utilization must be expected in the years ahead, barring only a series of severe reversals in EEC domestic grain output.

Feed use of wheat is estimated to expand by about 25 percent during the first 2 years of unified prices. Two factors are responsible: Price spreads between wheat and coarse grains at the farm level have been reduced sharply, and the EEC recently adopted new regulations permitting the payment of greater subsidies on the "denaturing" of wheat for feed use. Unfortunately, experience in some countries indicates that considerable scope remains for enlarging feed use of soft wheat, especially in areas outside France. In the United Kingdom and France, for example, wheat makes up about 20 and 25 percent, respectively, of total grain fed to livestock. In the EEC outside France, however, wheat now accounts for only about 8 to 10 percent of all grain used for livestock feed.

## Grain Stocks

Preliminary reports indicate that EEC grain stocks reached a record level of 14.2 million metric tons on June 30, 1968, and a further increase of 2 to 3 million tons is likely during 1968-69. Normal ending stocks are 10 to 12 million, and the previous high was 13.2 million. As of early November 1968, intervention (price support) purchases of 1968-crop wheat and barley in Germany reached 1.02 million tons, compared with only 123,000 tons of 1967-crop purchases through the same date of 1967.

Although 16 million tons would still represent little more than a 2-month supply, the extent of the current stock is nevertheless likely to place added burden upon internal EEC grain storage and transportation facilities. This could hamper the inflow of foreign grain as well as the interior movement of feed manufactured at coastal points, further encouraging the overall shift away from use of imported corn and sorghum.

[1] "EEC Grain Trends at Threshold of Common Grains Market," *Foreign Agriculture*, Mar. 20, 1967.

# Effects Upon EEC and World Grain Trade

The most recent major developments in EEC grain—the sudden increase in production, the displacement of corn and sorghum use, and the possible stunting of growth of overall grain utilization—are already having marked effects on international trade. Were it not for the accumulation of surplus stocks, the impact would be even greater.

The main trade effects are reduced imports of corn and sorghum and increased emphasis upon exports of wheat, barley, and even corn to countries outside the EEC. These, in turn, have a depressing effect upon international grain price levels and the level of prices received by overseas producers. An important feature of this situation is that export subsidies are partly financed by import levies. Thus, to the extent that the world corn price declines or the EEC corn threshold price is raised, a given volume of corn imports brings extra levy revenue, thus easing the burden of subsidizing EEC wheat exports.

The most stable element of EEC grain trade, and the one which appears least affected by recent developments, is wheat imports. Annual volume fluctuates around a level of 4 million tons, and this is limited mainly to durum and high-quality hard wheats for breadmaking. At this level the EEC ranks about equal with the United Kingdom and Japan as the largest Free World markets, each taking roughly 15 percent of total Free World commercial wheat imports every year.

The EEC has also long been an important wheat and flour exporter. Its volume increased sharply in the early CAP transition period and recently has ranked third behind those of the United States and Canada. During the initial period of expansion, a large segment of EEC exports went to Communist countries, but more recently shipments to Free World markets have increased.

EEC exports of feedgrains have also expanded although the volume remains less than half that of wheat. The biggest changes, however, have been in imports, where volume was climbing steadily until 1965-66 but has since fallen for 2 consecutive years. The 1968-69 level will probably be the lowest since 1963-64. Combined imports of corn and sorghum in 1968-69 will probably be the lowest since 1962-63. These changes have had an important bearing upon the total volume of world commercial feedgrain trade, and because in some years the United States tends to be a residual supplier in world feedgrain trade, they have also had a bearing upon changes in the U.S. export volume.

The trade impact of current EEC developments is shown further in the tables and illustrations that follow.

| Commodity and year | Beginning stocks | Acreage | Yield per acre | Production | Imports: From U.S. | Imports: Total[1] | Exports[1] | Net trade | Intra-EEC trade | Domestic consumption: For feed | Domestic consumption: Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | *1,000 metric tons* | *1,000 acres* | *Metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* |
| Total grain: | | | | | | | | | | | |
| 1955-56 . . . | 9,237 | 53,784 | 0.90 | 47,977 | 4,174 | 11,380 | 3,308 | 8,072 | 971 | 25,940 | 55,484 |
| 1956-57 . . . | 9,802 | 52,983 | .92 | 48,507 | 5,400 | 13,778 | 2,546 | 11,232 | 1,473 | 29,037 | 57,799 |
| 1957-58 . . . | 11,742 | 54,132 | .91 | 49,182 | 2,954 | 10,533 | 3,420 | 7,113 | 1,915 | 29,046 | 58,195 |
| 1958-59 . . . | 9,842 | 53,979 | .92 | 49,446 | 4,589 | 12,200 | 2,612 | 9,588 | 1,042 | 29,693 | 58,844 |
| 1959-60 . . . | 10,032 | 53,754 | .99 | 52,701 | 4,790 | 12,989 | 2,985 | 10,004 | 1,536 | 32,749 | 61,985 |
| 1960-61 . . . | 10,752 | 53,341 | 1.01 | 53,343 | 5,844 | 13,803 | 3,375 | 10,428 | 2,044 | 33,224 | 62,602 |
| 1961-62 . . . | 11,921 | 52,781 | .95 | 49,556 | 6,925 | 16,999 | 3,749 | 13,250 | 2,475 | 34,282 | 63,864 |
| 1962-63 . . . | 10,863 | 53,638 | 1.08 | 57,756 | 6,887 | 15,128 | 5,476 | 9,652 | 1,490 | 35,447 | 65,033 |
| 1963-64 . . . | 13,238 | 52,578 | 1.09 | 56,704 | 6,756 | 16,408 | 6,970 | 9,438 | 2,380 | 38,202 | 67,608 |
| 1964-65 . . . | 11,772 | 52,746 | 1.14 | 59,431 | 7,440 | 16,541 | 9,244 | 7,297 | 3,035 | 38,684 | 68,191 |
| 1965-66 . . . | 10,309 | 52,521 | 1.15 | 60,206 | 11,054 | 20,459 | 9,574 | 10,885 | 3,747 | 39,453 | 69,715 |
| 1966-67 . . . | 11,685 | 51,846 | 1.12 | 57,984 | 8,551 | 19,963 | 8,071 | 11,892 | 3,329 | 41,412 | 71,364 |
| 1967-68[2] . . . | 10,659 | 51,373 | 1.31 | 67,547 | 7,695 | 18,125 | 8,812 | 9,313 | 3,700 | 42,644 | 73,328 |
| 1968-69[3] . . . | 14,191 | 52,288 | 1.33 | 69,413 | – | 17,000 | 9,760 | 7,240 | 4,300 | 43,500 | 74,300 |
| 1969-70[3] . . . | 16,544 | – | – | – | – | – | – | – | – | – | – |
| Wheat: | | | | | | | | | | | |
| 1955-56 . . . | 5,784 | 26,912 | .91 | 24,328 | 1,380 | 4,651 | 2,423 | 2,228 | 775 | 3,350 | 25,806 |
| 1956-57 . . . | 6,534 | 22,412 | .84 | 18,730 | 3,138 | 6,951 | 1,220 | 5,731 | 305 | 1,935 | 23,753 |
| 1957-58 . . . | 7,206 | 27,534 | .89 | 24,559 | 868 | 3,899 | 3,152 | 747 | 922 | 3,954 | 26,150 |
| 1958-59 . . . | 6,362 | 27,497 | .89 | 24,316 | 971 | 4,164 | 2,117 | 2,047 | 618 | 4,454 | 26,621 |
| 1959-60 . . . | 6,104 | 26,667 | .97 | 25,814 | 646 | 3,377 | 2,286 | 1,091 | 831 | 5,472 | 27,565 |
| 1960-61 . . . | 5,444 | 26,329 | .92 | 24,137 | 1,846 | 5,888 | 1,799 | 4,089 | 692 | 4,886 | 27,129 |
| 1961-62 . . . | 6,541 | 24,942 | .93 | 23,060 | 1,991 | 5,868 | 2,323 | 3,545 | 866 | 4,481 | 26,798 |
| 1962-63 . . . | 6,348 | 26,709 | 1.11 | 29,495 | 677 | 3,478 | 3,786 | -308 | 371 | 5,079 | 27,373 |
| 1963-64 . . . | 8,162 | 24,648 | 1.00 | 24,438 | 1,092 | 4,111 | 3,776 | 335 | 699 | 4,668 | 26,794 |
| 1964-65 . . . | 6,141 | 26,272 | 1.11 | 29,158 | 687 | 3,548 | 5,669 | -2,121 | 733 | 5,525 | 27,591 |
| 1965-66 . . . | 5,587 | 26,259 | 1.16 | 30,369 | 1,500 | 4,245 | 5,838 | -1,593 | 938 | 5,346 | 27,609 |
| 1966-67 . . . | 6,754 | 24,802 | 1.06 | 26,309 | 1,549 | 4,280 | 4,479 | - 199 | 690 | 5,540 | 27,418 |
| 1967-68[2] . . . | 5,446 | 24,051 | 1.30 | 31,247 | 1,260 | 4,135 | 5,160 | -1,025 | 1,200 | 6,054 | 28,136 |
| 1968-69[3] . . . | 7,532 | 25,288 | 1.27 | 32,160 | – | 4,635 | 5,660 | -1,025 | 1,700 | 7,000 | 29,200 |
| 1969-70[3] . . . | 9,467 | – | – | – | – | – | – | – | – | – | – |
| Total coarse grains: | | | | | | | | | | | |
| 1955-56 . . . | 3,453 | 26,872 | .76 | 23,649 | 2,794 | 6,729 | 885 | 5,844 | 196 | 22,590 | 29,678 |
| 1956-57 . . . | 3,268 | 30,571 | .98 | 29,777 | 2,262 | 6,863 | 1,326 | 5,537 | 1,168 | 27,102 | 34,046 |
| 1957-58 . . . | 4,536 | 26,598 | .93 | 24,623 | 2,086 | 6,634 | 268 | 6,366 | 993 | 25,092 | 32,045 |
| 1958-59 . . . | 3,480 | 26,482 | .96 | 25,130 | 3,618 | 8,036 | 495 | 7,451 | 424 | 25,239 | 32,223 |
| 1959-60 . . . | 3,928 | 27,097 | 1.00 | 26,887 | 4,144 | 9,612 | 699 | 8,913 | 705 | 27,277 | 34,420 |
| 1960-61 . . . | 5,308 | 26,988 | 1.09 | 29,206 | 3,998 | 7,915 | 1,576 | 6,339 | 1,352 | 28,338 | 35,473 |
| 1961-62 . . . | 5,380 | 27,838 | .96 | 26,496 | 4,934 | 11,131 | 1,426 | 9,705 | 1,609 | 29,801 | 37,066 |
| 1962-63 . . . | 4,515 | 26,929 | 1.06 | 28,261 | 6,210 | 11,650 | 1,690 | 9,960 | 1,119 | 30,368 | 37,660 |
| 1963-64 . . . | 5,076 | 27,930 | 1.17 | 32,266 | 5,664 | 12,297 | 3,194 | 9,103 | 1,681 | 33,534 | 40,814 |
| 1964-65 . . . | 5,631 | 26,474 | 1.16 | 30,273 | 6,753 | 12,993 | 3,575 | 9,418 | 2,302 | 33,159 | 40,600 |
| 1965-66 . . . | 4,722 | 26,262 | 1.15 | 29,837 | 9,554 | 16,214 | 3,736 | 12,478 | 2,809 | 34,107 | 42,106 |
| 1966-67 . . . | 4,931 | 27,044 | 1.17 | 31,675 | 7,002 | 15,683 | 3,592 | 12,091 | 2,639 | 35,872 | 43,946 |
| 1967-68[2] . . . | 5,213 | 27,322 | 1.33 | 36,300 | 6,435 | 14,092 | 3,754 | 10,338 | 2,398 | 36,590 | 45,192 |
| 1968-69[3] . . . | 6,659 | 27,000 | 1.38 | 37,253 | – | 12,365 | 4,100 | 8,265 | 2,600 | 36,500 | 45,100 |
| 1969-70[3] . . . | 7,077 | – | – | – | – | – | – | – | – | – | – |
| Barley: | | | | | | | | | | | |
| 1955-56 . . . | 770 | 6,173 | .91 | 5,548 | 1,028 | 2,819 | 153 | 2,666 | 102 | 5,913 | 8,176 |
| 1956-57 . . . | 808 | 8,779 | 1.09 | 9,527 | 550 | 2,580 | 977 | 1,603 | 924 | 8,249 | 10,565 |
| 1957-58 . . . | 1,373 | 7,196 | .98 | 6,964 | 535 | 2,252 | 31 | 2,221 | 536 | 7,357 | 9,811 |
| 1958-59 . . . | 747 | 7,586 | .96 | 7,188 | 1,179 | 2,687 | 109 | 2,578 | 61 | 7,137 | 9,729 |

See footnotes at end of table.

| Commodity and year | Beginning stocks | Acreage | Yield per acre | Production | Imports: From U.S. | Imports: Total[1] | Exports[1] | Net trade | Intra-EEC trade | Domestic consumption: For feed | Domestic consumption: Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | *1,000 metric tons* | *1,000 acres* | *Metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* |
| Barley–Cont: | | | | | | | | | | | |
| 1959-60 . . . | 784 | 8,278 | 1.06 | 8,651 | 862 | 2,361 | 238 | 2,123 | 403 | 7,448 | 10,283 |
| 1960-61 . . . | 1,275 | 8,567 | 1.15 | 9,765 | 577 | 1,486 | 807 | 679 | 683 | 6,967 | 9,901 |
| 1961-62 . . . | 1,818 | 9,461 | .98 | 9,145 | 872 | 2,406 | 1,085 | 1,321 | 1,231 | 8,080 | 11,165 |
| 1962-63 . . . | 1,119 | 9,296 | 1.18 | 10,873 | 885 | 1,747 | 711 | 1,036 | 826 | 8,379 | 11,561 |
| 1963-64 . . . | 1,467 | 10,203 | 1.19 | 12,009 | 406 | 1,394 | 1,792 | -398 | 1,032 | 8,038 | 11,303 |
| 1964-65 . . . | 1,775 | 9,721 | 1.22 | 11,752 | 393 | 1,586 | 2,043 | -457 | 1,070 | 8,381 | 11,795 |
| 1965-66 . . . | 1,275 | 10,045 | 1.19 | 11,850 | 688 | 2,379 | 1,345 | 1,034 | 1,463 | 8,956 | 12,641 |
| 1966-67 . . . | 1,518 | 10,890 | 1.14 | 12,366 | 440 | 1,875 | 1,211 | 664 | 1,341 | 9,666 | 13,370 |
| 1967-68[2] . . . | 1,178 | 11,179 | 1.42 | 15,869 | 308 | 2,327 | 1,857 | 470 | 1,574 | 10,272 | 14,399 |
| 1968-69[3] . . . | – | 11,172 | 1.35 | 15,237 | – | 2,000 | 2,118 | -118 | 1,574 | 10,900 | 15,500 |
| Corn: | | | | | | | | | | | |
| 1955-56 . . . | 597 | 4,213 | 1.03 | 4,346 | 807 | 2,211 | 221 | 1,990 | 24 | 5,041 | 6,237 |
| 1956-57 . . . | 696 | 4,742 | 1.09 | 5,184 | 803 | 2,522 | 200 | 2,322 | 32 | 6,026 | 7,261 |
| 1957-58 . . . | 941 | 4,460 | 1.10 | 4,913 | 909 | 2,774 | 165 | 2,609 | 29 | 6,508 | 7,772 |
| 1958-59 . . . | 691 | 4,480 | 1.20 | 5,363 | 1,136 | 3,364 | 229 | 3,135 | 15 | 6,911 | 8,153 |
| 1959-60 . . . | 1,036 | 4,705 | 1.21 | 5,720 | 1,564 | 4,527 | 383 | 4,144 | 15 | 8,027 | 9,327 |
| 1960-61 . . . | 1,573 | 4,986 | 1.33 | 6,649 | 1,956 | 4,303 | 640 | 3,663 | 358 | 9,245 | 10,568 |
| 1961-62 . . . | 1,317 | 5,392 | 1.19 | 6,432 | 2,794 | 5,747 | 290 | 5,457 | 236 | 10,002 | 11,424 |
| 1962-63 . . . | 1,782 | 4,942 | 1.05 | 5,172 | 3,360 | 6,830 | 740 | 6,090 | 178 | 10,136 | 11,556 |
| 1963-64 . . . | 1,488 | 5,155 | 1.48 | 7,612 | 4,122 | 8,544 | 1,189 | 7,355 | 530 | 13,290 | 14,775 |
| 1964-65 . . . | 1,680 | 4,900 | 1.25 | 6,118 | 4,988 | 8,719 | 1,095 | 7,624 | 1,042 | 12,683 | 14,248 |
| 1965-66 . . . | 1,174 | 4,757 | 1.44 | 6,832 | 6,832 | 10,696 | 1,877 | 8,819 | 1,153 | 13,515 | 15,367 |
| 1966-67 . . . | 1,458 | 4,895 | 1.63 | 7,976 | 5,177 | 11,022 | 1,910 | 9,122 | 1,085 | 14,822 | 16,794 |
| 1967-68[2] . . . | 1,752 | 5,110 | 1.51 | 7,709 | 5,339 | 9,706 | 2,213 | 7,493 | 600 | 14,234 | 16,233 |
| 1968-69[3] . . . | – | 5,090 | 1.81 | 9,222 | – | 8,586 | 2,300 | 6,286 | 800 | 13,300 | 15,400 |
| Oats: | | | | | | | | | | | |
| 1955-56 . . . | 759 | 10,371 | .84 | 8,642 | 232 | 499 | 51 | 448 | 46 | 8,276 | 9,166 |
| 1956-57 . . . | 683 | 10,875 | .89 | 9,597 | 281 | 763 | 50 | 713 | 71 | 9,316 | 10,045 |
| 1957-58 . . . | 948 | 9,024 | .82 | 7,338 | 225 | 657 | 2 | 655 | 95 | 7,613 | 8,297 |
| 1958-59 . . . | 644 | 8,446 | .87 | 7,263 | 283 | 738 | 48 | 690 | 49 | 7,214 | 7,894 |
| 1959-60 . . . | 703 | 8,448 | .85 | 7,107 | 452 | 915 | 65 | 850 | 37 | 7,201 | 7,869 |
| 1960-61 . . . | 791 | 8,095 | .92 | 7,382 | 345 | 723 | 61 | 662 | 30 | 7,360 | 8,041 |
| 1961-62 . . . | 794 | 8,251 | .88 | 7,160 | 100 | 891 | 49 | 891 | 51 | 7,460 | 8,148 |
| 1962-63 . . . | 648 | 8,312 | .97 | 7,963 | 311 | 825 | 87 | 738 | 64 | 7,760 | 8,459 |
| 1963-64 . . . | 890 | 7,840 | 1.02 | 7,901 | 35 | 509 | 107 | 402 | 71 | 7,788 | 8,426 |
| 1964-65 . . . | 767 | 7,621 | 1.01 | 7,228 | 60 | 649 | 123 | 526 | 140 | 7,278 | 7,887 |
| 1965-66 . . . | 634 | 7,314 | 1.01 | 6,884 | 341 | 1,002 | 154 | 848 | 134 | 7,111 | 7,727 |
| 1966-67 . . . | 639 | 7,515 | .96 | 7,195 | 195 | 814 | 261 | 553 | 115 | 7,093 | 7,694 |
| Rye: | | | | | | | | | | | |
| 1955-56 . . . | 1,276 | 5,626 | .89 | 4,866 | 124 | 377 | 396 | -19 | 14 | 2,561 | 5,206 |
| 1956-57 . . . | 917 | 5,634 | .93 | 5,125 | 185 | 380 | 99 | 281 | 107 | 2,663 | 5,247 |
| 1957-58 . . . | 1,076 | 5,500 | .96 | 5,168 | 65 | 258 | 9 | 249 | 206 | 2,693 | 5,156 |
| 1958-59 . . . | 1,337 | 5,513 | .93 | 5,039 | 66 | 151 | 104 | 47 | 202 | 2,700 | 5,090 |
| 1959-60 . . . | 1,333 | 5,248 | 1.00 | 5,147 | 93 | 312 | 4 | 308 | 72 | 2,946 | 5,199 |
| 1960-61 . . . | 1,589 | 4,940 | 1.06 | 5,127 | 42 | 149 | 68 | 81 | 282 | 3,257 | 5,396 |
| 1961-62 . . . | 1,401 | 4,324 | .82 | 3,479 | 75 | 637 | 2 | 635 | 60 | 2,672 | 4,675 |
| 1962-63 . . . | 840 | 3,968 | 1.02 | 3,969 | 442 | 833 | 18 | 815 | 38 | 2,665 | 4,592 |
| 1963-64 . . . | 1,032 | 4,075 | 1.06 | 4,224 | 66 | 381 | 15 | 366 | 34 | 2,590 | 4,422 |
| 1964-65 . . . | 1,200 | 4,045 | 1.18 | 4,668 | 40 | 238 | 29 | 209 | 34 | 2,808 | 4,600 |
| 1965-66 . . . | 1,477 | 3,946 | .97 | 3,720 | 21 | 198 | 20 | 178 | 29 | 2,401 | 4,179 |
| 1966-67 . . . | 1,196 | 3,531 | .98 | 3,475 | 103 | 265 | 29 | 236 | 21 | 2,173 | 3,899 |

See footnotes at end of table.

| Commodity and year | Beginning stocks | Acreage | Yield per acre | Production | Imports | | Exports[1] | Net trade | Intra-EEC trade | Domestic consumption | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | From U.S. | Total[1] | | | | For feed | Total |
| | *1,000 metric tons* | *1,000 acre* | *Metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* |
| Other grains[4]: | | | | | | | | | | | |
| 1961-62 . . . | 50 | 413 | .68 | 279 | 1,092 | 1,450 | 0 | 1,450 | 31 | 1,587 | 1,653 |
| 1962-63 . . . | 128 | 410 | .69 | 284 | 1,212 | 1,415 | 134 | 1,281 | 13 | 1,428 | 1,492 |
| 1963-64 . . . | 199 | 658 | .79 | 520 | 1,035 | 1,560 | 155 | 1,405 | 14 | 1,828 | 1,888 |
| 1964-65 . . . | 209 | 694 | .73 | 507 | 1,272 | 1,801 | 285 | 1,516 | 16 | 2,009 | 2,070 |
| 1965-66 . . . | 162 | 680 | .81 | 551 | 1,672 | 1,939 | 340 | 1,599 | 30 | 2,124 | 2,192 |
| 1966-67 . . . | 120 | 729 | .91 | 663 | 1,059 | 1 822 | 296 | 1,526 | 77 | 2,118 | 2,189 |
| 1967-68[2] . . . | 120 | 939 | .87 | 662 | 690 | 1,275 | 100 | 1,175 | 33 | 1,651 | 1,714 |
| 1968-69[3] . . . | – | 659 | 1.06 | 699 | – | 850 | 100 | 750 | 30 | 1,400 | 1,450 |

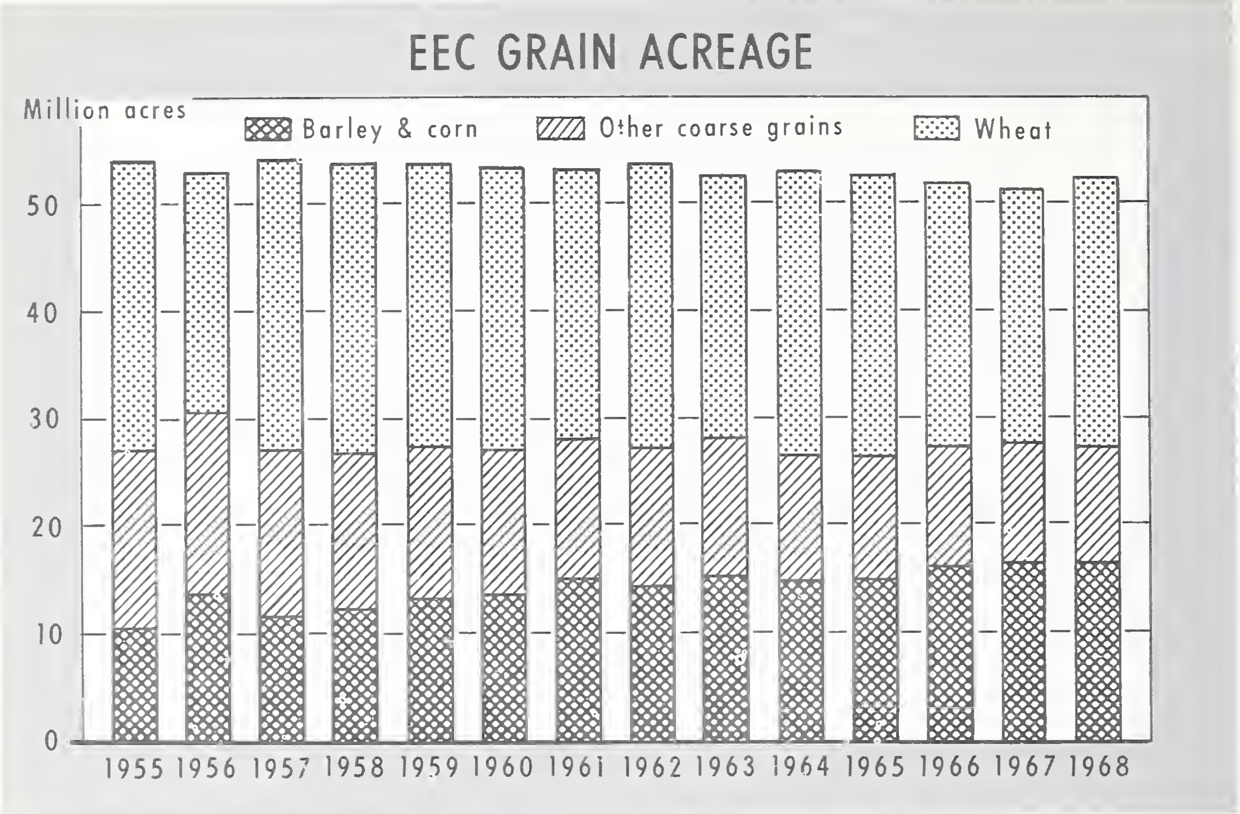
[1] Excludes intra-trade, i.e., trade between EEC member countries.
[2] Acreage and yield data are as reported by official EEC sources; all other data are preliminary estimates prepared by Foreign Agricultural Service based on changes from 1966-67 as reported by U.S. Agricultural Attaches in the member countries of the EEC.
[3] Acreage, yield and production data are as reported by official EEC sources; all other data are forecasts prepared by Foreign Agricultural Service based on unofficial reports of current EEC market and supply-demand conditions.
[4] Mostly sorghum.

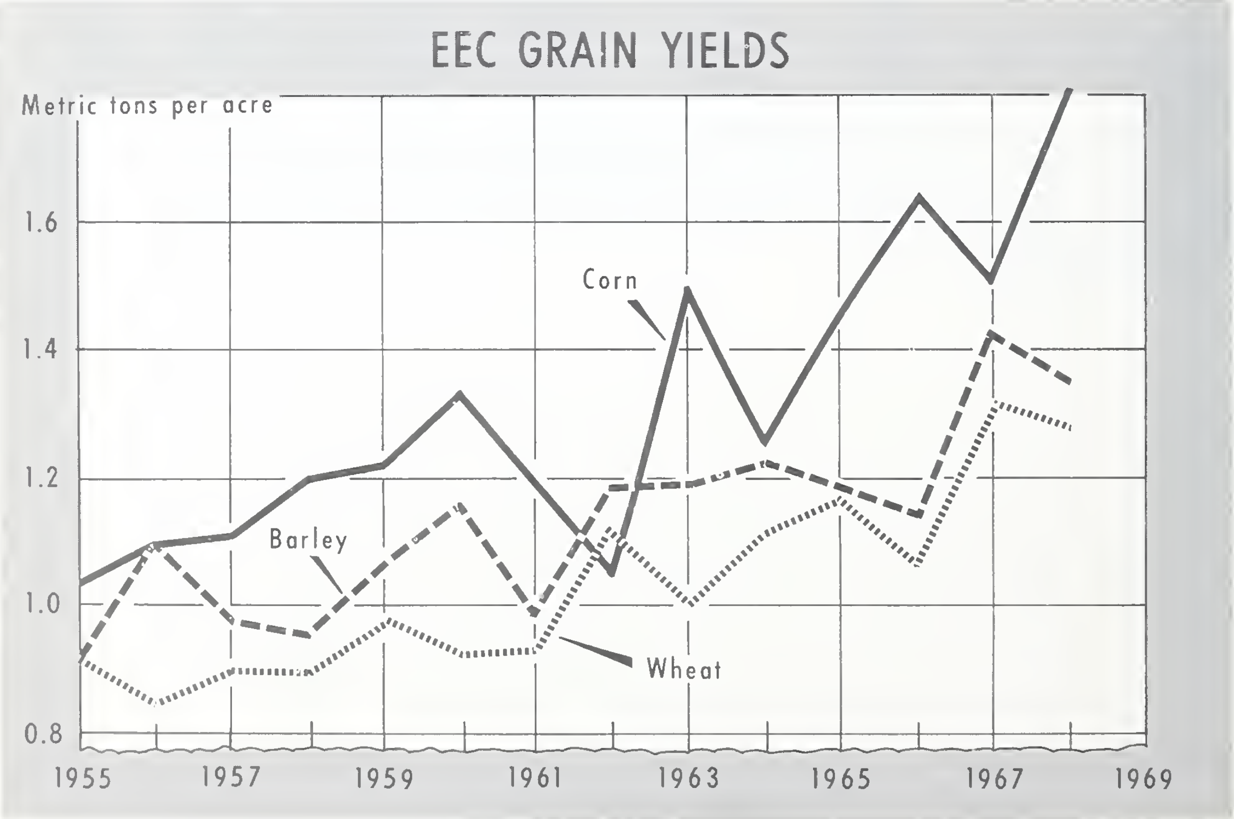
Sources: All acreage data except "other grains" and all yield data taken from the official EEC *Production Végétale;* imports from the United States are from the official trade returns of member countries; all other data from the official EEC *Statistique Agricole.*

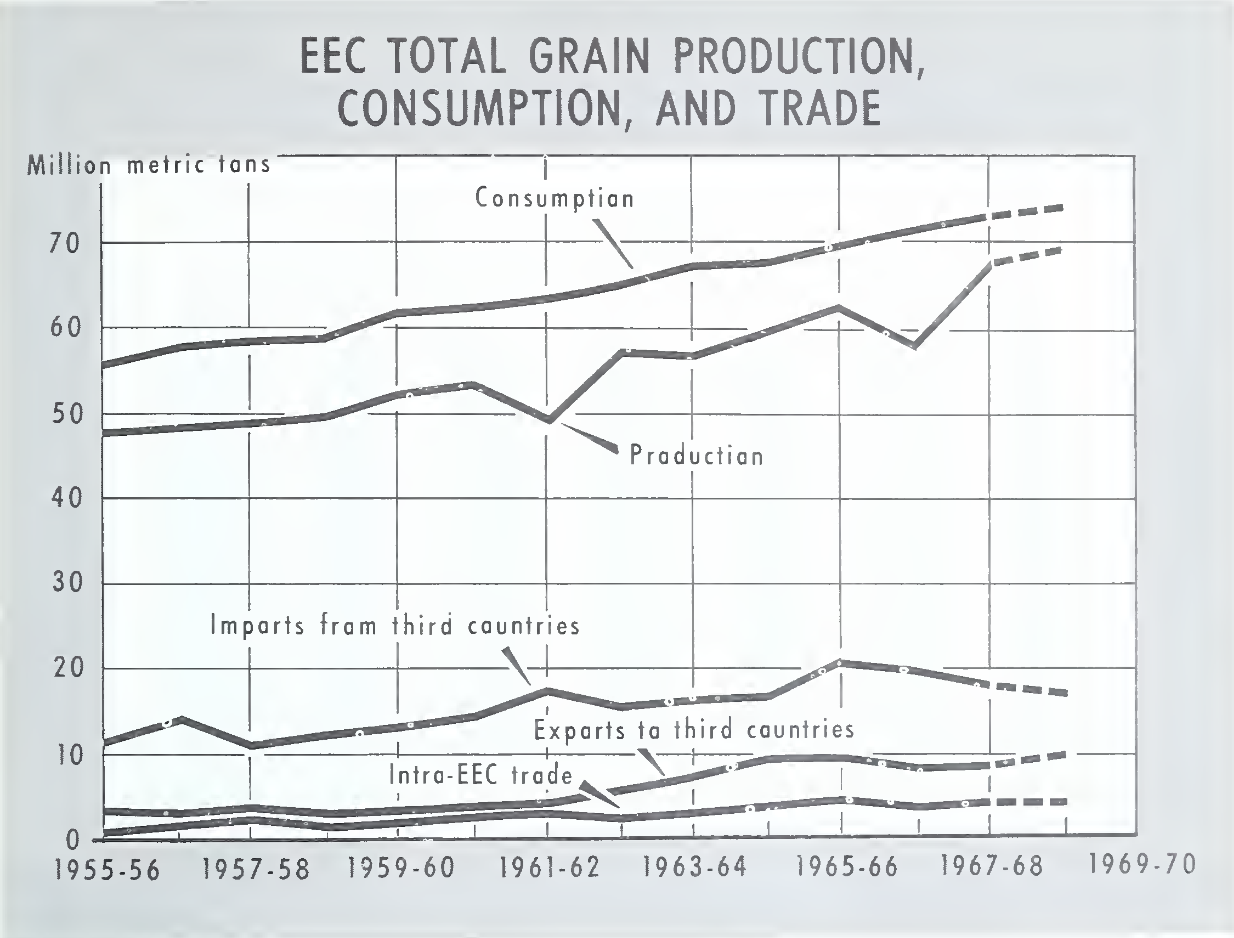
EEC MEMBER COUNTRY AND AGGREGATE EEC THRESHOLD PRICES
WEIGHTED BY INDIVIDUAL COUNTRY UTILIZATION[1]

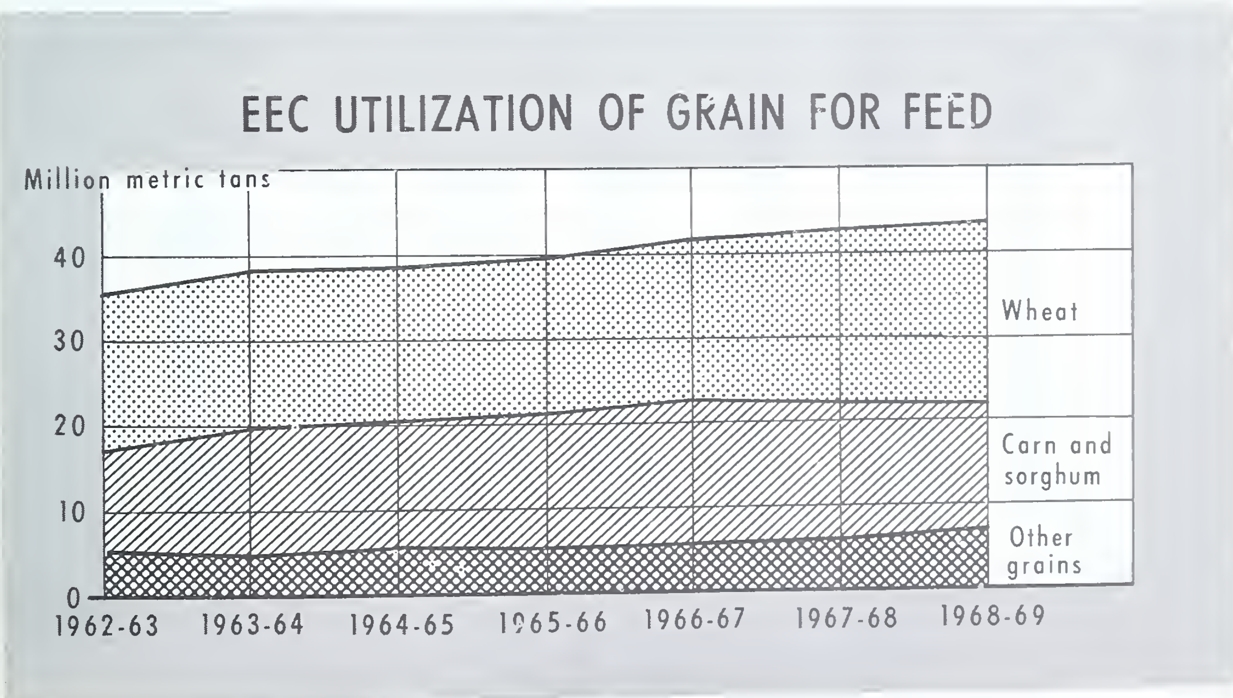
| Grain and year | Germany | France | Italy | Belgium | Netherlands | EEC average[2] |
|---|---|---|---|---|---|---|
| | *Dol. per metric ton* | *Dol. per metric ton* | *Dol. per metric ton* | *Dol. per metric ton* | *Dol. per metric ton* | *Dol. per metric ton* |
| Wheat: | | | | | | |
| 1962-63 | 121.00 | 95.54 | 109.60 | 98.20 | 92.96 | 105.60 |
| 1963-64 | 119.50 | 97.75 | 112.80 | 99.20 | 98.48 | 107.83 |
| 1964-65 | 119.50 | 98.22 | 112.80 | 99.40 | 104.97 | 107.98 |
| 1965-66 | 118.62 | 99.74 | 112.80 | 99.40 | 104.70 | 108.39 |
| 1966-67 | 118.62 | 101.25 | 112.80 | 99.40 | 104.56 | 108.99 |
| 1967-68 | 105.30 | 106.22 | 108.48 | 104.37 | 104.38 | 106.67 |
| 1968-69 | 105.30 | 106.22 | 108.48 | 104.37 | 104.38 | 106.67 |
| Corn: | | | | | | |
| 1962-63 | 108.00 | 89.57 | 60.99 | 77.60 | 70.44 | 72.73 |
| 1963-64 | 104.50 | 94.96 | 60.99 | 76.60 | 73.48 | 74.46 |
| 1964-65 | 104.50 | 96.15 | 64.29 | 77.40 | 75.55 | 77.42 |
| 1965-66 | 105.30 | 87.76 | 64.80 | 78.80 | 86.05 | 77.92 |
| 1966-67 | 105.25 | 87.76 | 71.20 | 78.80 | 88.54 | 74.43 |
| 1967-68 | 89.36 | 89.38 | 81.65 | 88.42 | 88.38 | 85.72 |
| 1968-69 | 93.67 | 93.69 | 86.59 | 92.73 | 92.69 | 90.04 |
| Barley: | | | | | | |
| 1962-63 | 106.75 | 76.93 | 62.59 | 81.60 | 77.35 | 87.67 |
| 1963-64 | 104.50 | 80.53 | 65.89 | 81.60 | 79.01 | 88.70 |
| 1964-65 | 104.50 | 81.00 | 67.20 | 83.40 | 80.66 | 89.90 |
| 1965-66 | 103.87 | 83.07 | 62.20 | 84.00 | 88.95 | 92.15 |
| 1966-67 | 103.87 | 85.13 | 66.62 | 84.00 | 88.95 | 90.55 |
| 1967-68 | 89.94 | 91.38 | 81.98 | 88.93 | 89.00 | 89.73 |
| 1968-69 | 93.13 | 94.57 | 85.80 | 92.12 | 92.19 | 93.00 |
| Total grain[3]: | | | | | | |
| 1962-63 | 114.05 | 89.63 | 87.95 | 88.58 | 80.24 | 93.90 |
| 1963-64 | 111.97 | 92.57 | 87.71 | 88.61 | 82.94 | 94.41 |
| 1964-65 | 111.47 | 93.09 | 89.88 | 88.97 | 86.18 | 95.89 |
| 1965-66 | 113.13 | 93.13 | 89.54 | 89.33 | 92.43 | 96.28 |
| 1966-67 | 110.56 | 94.09 | 85.45 | 88.56 | 93.30 | 94.63 |
| 1967-68 | 96.38 | 99.24 | 95.58 | 94.92 | 93.44 | 96.77 |
| 1968-69 | 98.35 | 100.91 | 98.27 | 96.52 | 95.79 | 98.83 |

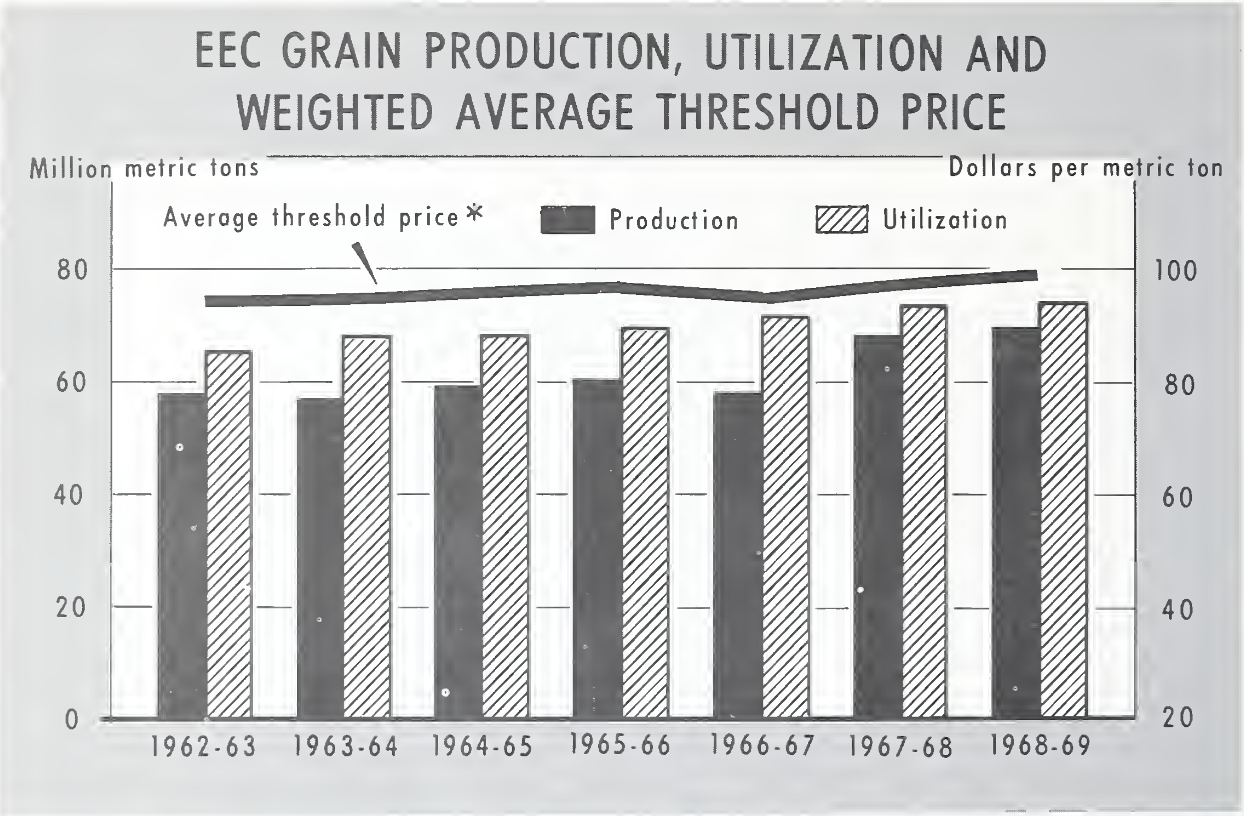
[1] Prior to unification of the EEC member countries in 1967-68, each country maintained its own threshold prices. Since July 1967, however, the Rotterdam threshold prices have been used for determining the common levy that applies to each grain at all EEC entry points. Therefore, the individual country threshold prices for 1967-68 and 1968-69 shown above were computed, except for the Netherlands, on the basis of average differences in c.i.f. import prices that existed between the Netherlands and the other member countries during the 2 years prior to July 1967.
[2] Weighted threshold price.
[3] Wheat, corn, and barley.

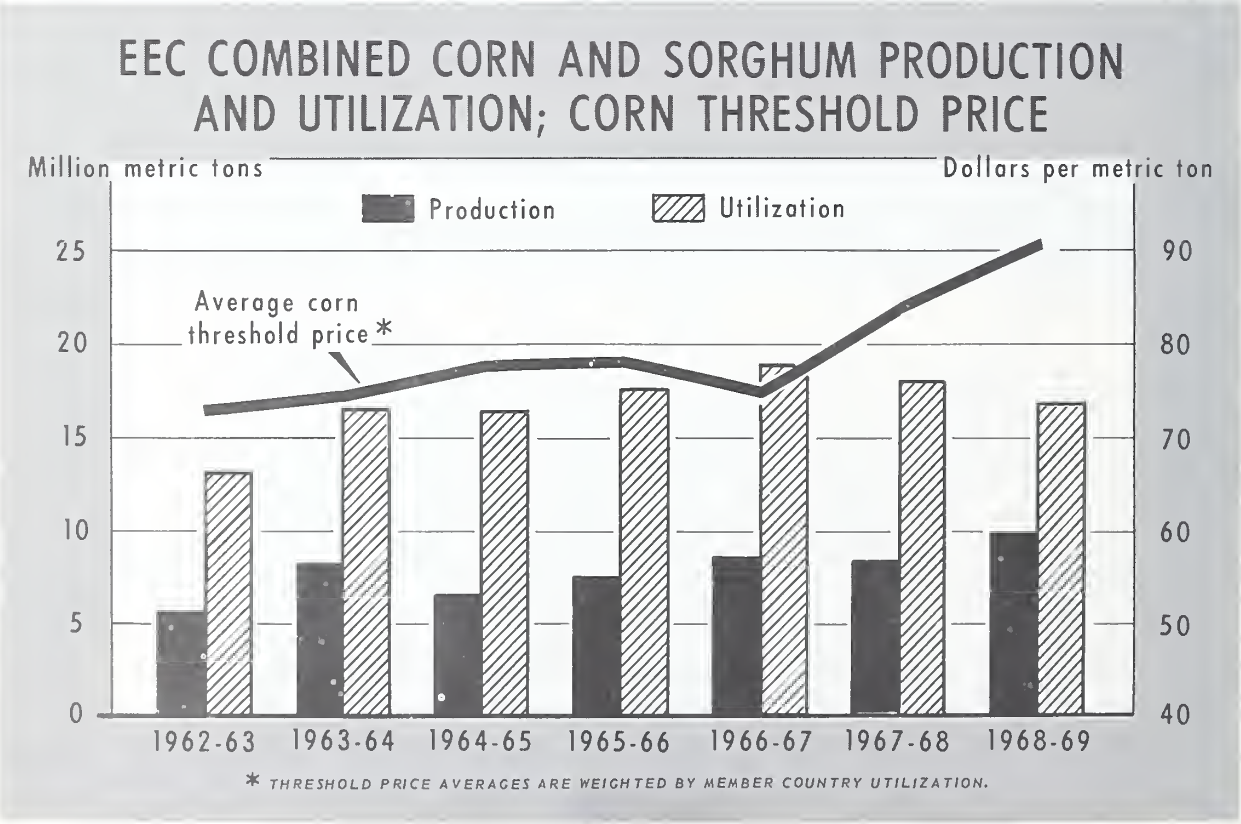

EEC GRAIN ACREAGE
Million acres
Barley & corn
Other coarse grains
Wheat
50
40
30
20
10
0
1955 1956 1957 1958 1959 1960 1961 1962 1963 1964 1965 1966 1967 1968


EEC GRAIN YIELDS
Metric tons per acre
1.6
1.4
1.2
1.0
0.8
Corn
Barley
Wheat
1955
1957
1959
1961
1963
1965
1967
1969

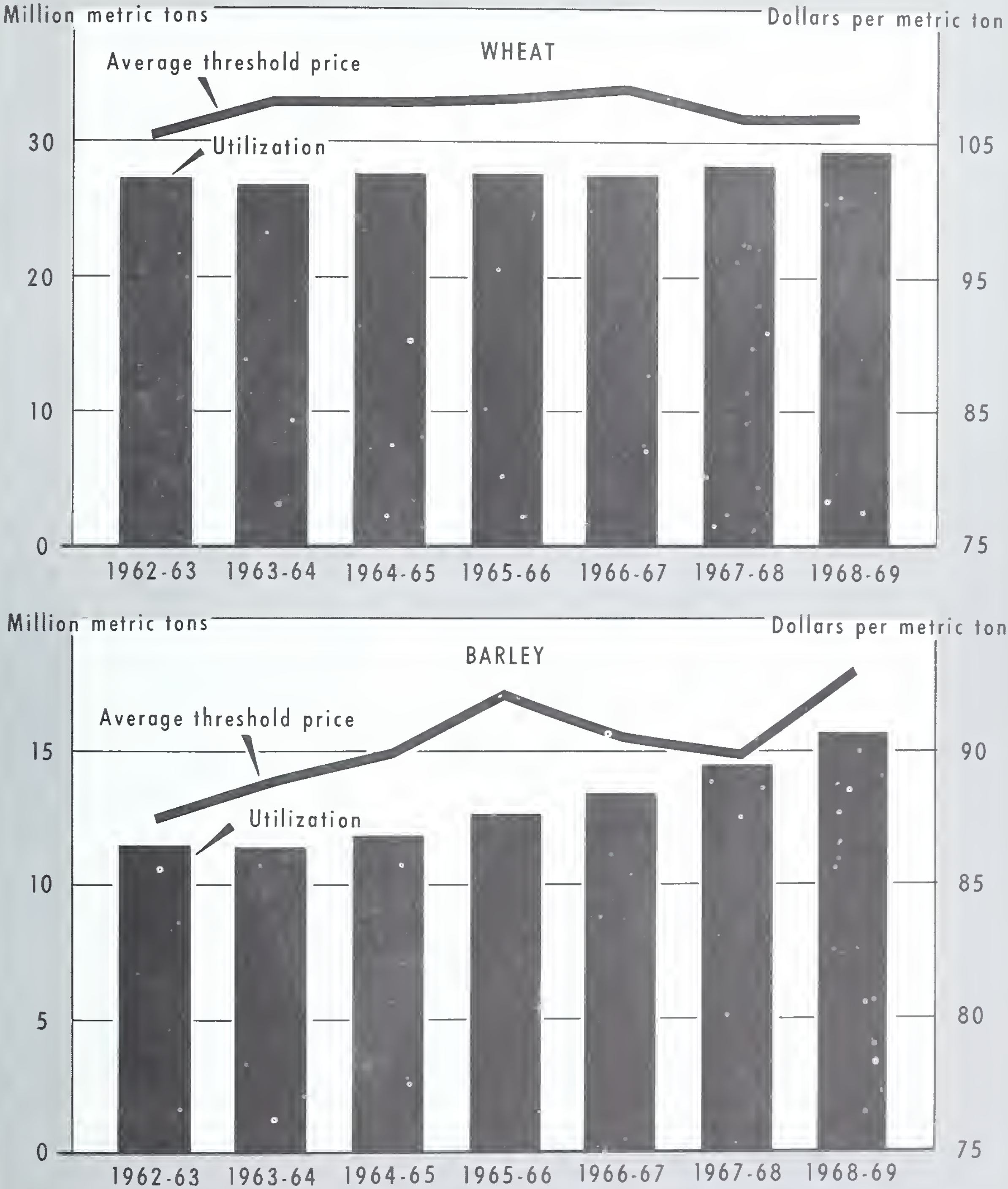

EEC TOTAL GRAIN PRODUCTION, CONSUMPTION, AND TRADE
Million metric tons
Consumptian
Productian
Imparts fram third cauntries
Exparts ta third cauntries
Intra-EEC trade
0
10
20
30
40
50
60
70
1955-56
1957-58
1959-60
1961-62
1963-64
1965-66
1967-68
1969-70


EEC UTILIZATION OF GRAIN FOR FEED
Million metric tons
Wheat
Carn and sorghum
Other grains
0
10
20
30
40
1962-63
1963-64
1964-65
1965-66
1966-67
1967-68
1968-69

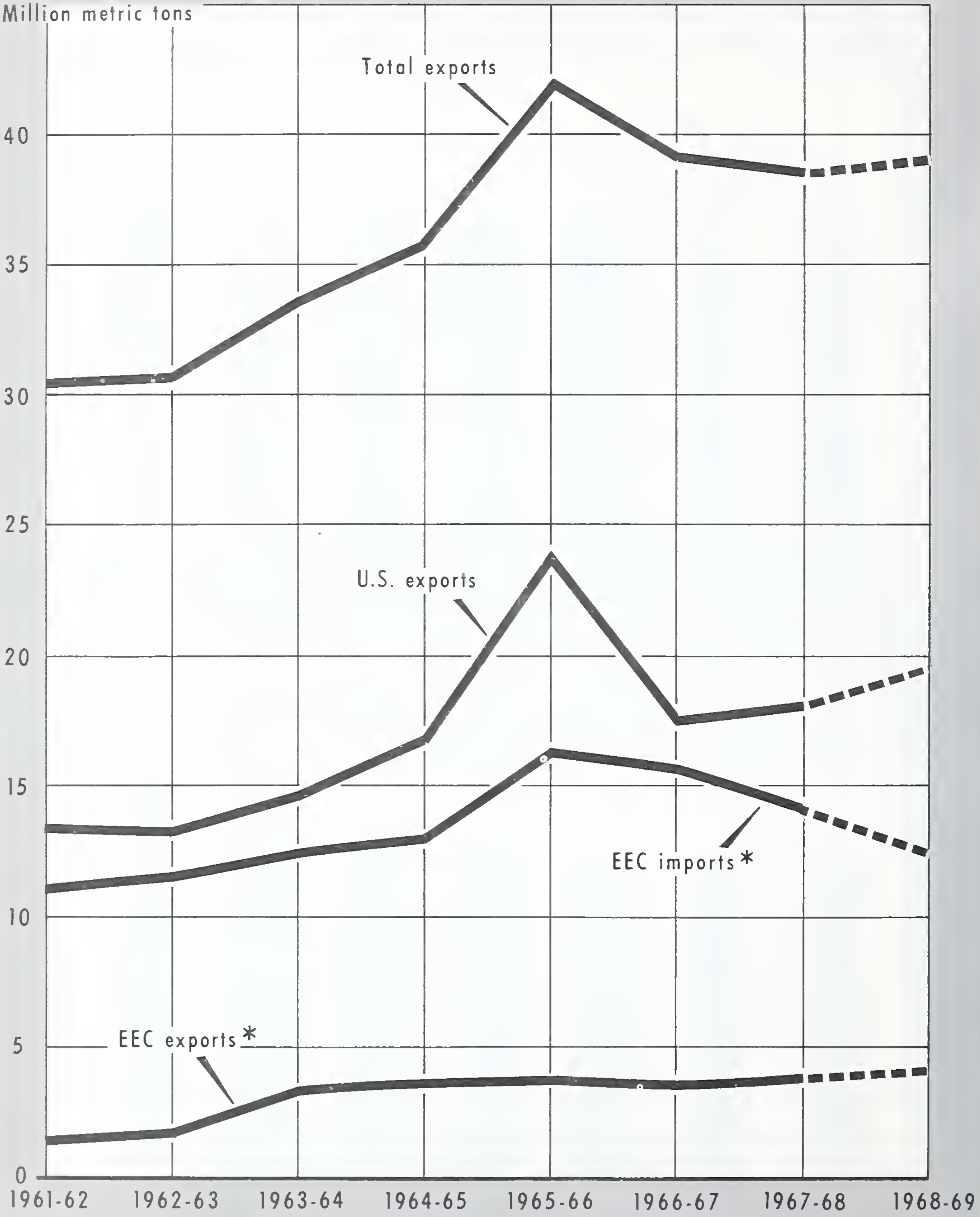

EEC GRAIN PRODUCTION, UTILIZATION AND WEIGHTED AVERAGE THRESHOLD PRICE
Million metric tons
Dollars per metric ton
Average threshold price *
Production
Utilization
80
60
40
20
0
100
80
60
40
20
1962-63
1963-64
1964-65
1965-66
1966-67
1967-68
1968-69


EEC COMBINED CORN AND SORGHUM PRODUCTION AND UTILIZATION; CORN THRESHOLD PRICE
Million metric tons
Dollars per metric ton
Production
Utilization
Average corn threshold price *
25
20
15
10
5
0
90
80
70
60
50
40
1962-63
1963-64
1964-65
1965-66
1966-67
1967-68
1968-69
* THRESHOLD PRICE AVERAGES ARE WEIGHTED BY MEMBER COUNTRY UTILIZATION.

# EEC TRENDS IN WHEAT AND BARLEY UTILIZATION AND THRESHOLD PRICES



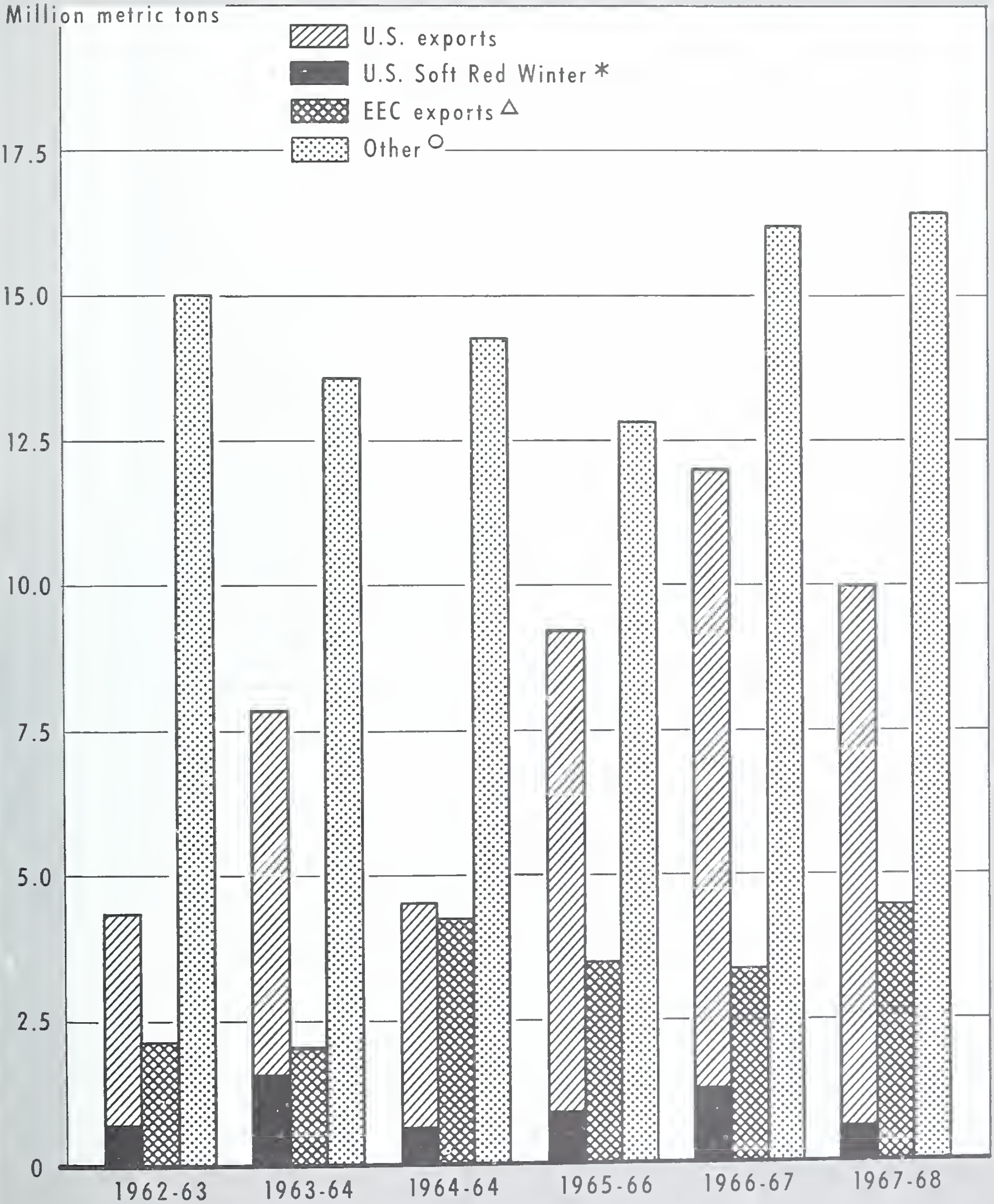
# TRENDS IN WORLD COMMERCIAL FEEDGRAIN TRADE




* EXCLUDES INTRA-EEC TRADE; ALL GRAIN EXCEPT WHEAT; INCLUDES SMALL AMOUNT OF PRODUCTS AND RYE NOT INCLUDED IN "TOTAL EXPORTS" ABOVE.

# COMMERCIAL WHEAT AND FLOUR EXPORTS TO FREE WORLD COUNTRIES

(Grain equivalent)




* SOFT RED WINTER IS THE PRINCIPAL U.S. WHEAT CLASS THAT COMPETES WITH EEC WHEAT IN THIRD-COUNTRY MARKETS.
△ BASED ON OFFICIAL EEC STATISTICS AND INCLUDES ALL PRODUCTS; INTRA-EEC TRADE IS EXCLUDED.
○ EXPORTS BY ALL OTHER COUNTRIES, I.E., TOTAL WORLD LESS U.S. AND EEC EXPORTS.

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